

SUMMARY ANALYSIS OF AMENDED BILL

Author: Lowenthal Analyst: Darrine Distefano Bill Number: SB 286
 Related Bills: See Prior Analysis Telephone: 845-4142 Amended Date: August 14, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Low-Income Housing Credit/ "At Risk Of Conversion" /Deletes Requirement That Property Be Ineligible For Allocation Of Tax Exempt Private Activity Mortgage Revenue Bonds

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended August 10, 2006.
- ☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- ☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- ☐ FURTHER AMENDMENTS NECESSARY.
- ☐ DEPARTMENT POSITION CHANGED TO _____.
- ☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED August 10, 2006 STILL APPLIES.
- ☒ OTHER – See comments below.

SUMMARY

This bill would modify two of the elements for qualifying property under the low-income housing tax credit.

This analysis will address only the changes made to the Personal Income Tax Law (PITL) and Corporation Tax Law (CTL) provisions of the Revenue and Taxation Code.

SUMMARY OF AMENDMENTS

The August 14, 2006, amendments make the following changes:

- Modifies the timeframe criteria on rent levels and federal insured mortgages for property "at risk of conversion." For property with restrictions on rent and income levels, those restrictions would terminate within five calendar years before or after the year of application to the California Tax Credit Allocation committee (TCAC). For property with a federally insured mortgage, that mortgage can be prepaid anytime within five calendar years before or after the year of application to TCAC.

Board Position:

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Legislative Director

Date

Brian Putler

8/28/06

- Adds the corporate low-income housing tax credit provision. The amendment modifies the same two criteria as made under the PITL for property "at risk of conversion:" the allocation of tax exempt private activity mortgage revenue bonds and the five year calendar application to TCAC on rent and income levels and federally insured mortgages.

The August 14, 2006, amendments do not impact the department's programs or operations or state income tax revenue.

The department's analysis of the bill as amended June 8, 2006, still applies.

POSITION

Pending.

LEGISLATIVE STAFF CONTACT

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